



ASX/Media Announcement

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ALCYONE TO RE-LIST ON ASX

METALLURGICAL TEST WORK COMMENCES AT TWIN HILLS SILVER PROJECT, QLD

Alcyone Resources Limited (ASX: **AYN**; “**Alcyone**” or “**The Company**”) is pleased to advise that its shares will recommence trading on the Australian Securities Exchange (ASX) tomorrow (Tuesday, 17 November) as the work program at its 100%-owned Twin Hills Silver Project in Queensland gathers momentum.

The re-listing of Alcyone follows the recapitalisation and reconstruction of the former Macmin Silver Ltd, which was placed into administration in November 2008 following operational challenges at the Twin Hills mine combined with difficulties in raising additional capital due to the Global Financial Crisis.

A subsequent recapitalisation proposal, name change and \$4 million capital raising completed in October 2009 resulted in the termination of the Deed of Company Arrangement on 13 October and the Company's emergence from voluntary administration.

Alcyone has now received approval from the ASX for the reinstatement of its shares to trading. This follows lodgment of its interim accounts for the six months to December 2008 and its Annual Report for the year to 30 June 2009. At the time of relisting, Alcyone has approximately \$3.0 million cash at hand.

The Twin Hills Project, which is located 240km south-west of Brisbane, started production in March 2007 and went on to produce approximately 500,000 ounces of silver before being placed on full care and maintenance in July 2009 (**refer Note 1 below*).

The Project offers a near-term production opportunity for Alcyone with extensive infrastructure already on site. This includes a pre-stripped open pit mine, ore stockpiles, some processing facilities, leach pads, administration buildings, a laboratory and associated workshops.

Following the recapitalisation, Alcyone has already commenced work on a program aimed at assessing the potential to resume silver production at Twin Hills. This will initially include verification of historical metallurgical test work to confirm the parameters for a re-design of the processing system, as well as a complete review of all available geological data with the aim of delivering a new JORC-compliant resource statement.

This will be followed by an assessment of the potential upside to convert the resources to reserves and increasing resources through further exploration.

Since assuming control of the Company on 13 October 2009, work undertaken has included the collection of a 1.7 tonne metallurgical sample which has been delivered to an independent Perth-based laboratory, and commencement of a metallurgical test work program.



In addition, the technical team has identified data not previously entered into the geological database and work is now underway to update this database prior to undertaking detailed ore body modelling.

Following the receipt of metallurgical results – expected in the first half of 2010 – and a subsequent assessment of the Project's economic parameters, a decision will be made on the best way to move forward.

Commenting on the re-listing, Alcyone's Managing Director, Mr. Andrew King, said: *"With the corporate and compliance work now completed, we're very pleased to be able to get on with the job of working towards getting Twin Hills back into production."*

"We believe that the Project has the potential to deliver solid and profitable production levels and, with the majority of the infrastructure already in place, we expect the transition back into production to be quite rapid subject to delivery of satisfactory project economics," he added.

"I would like to take this opportunity to thank everyone involved with the recapitalisation and re-listing of Alcyone, especially shareholders of the previous entity, Macmin Silver Ltd, for their patience and support in what has been a lengthy suspension."

The Company will provide further updates to the market as they become available.

Background Information

The recapitalisation of Macmin Silver Ltd and its name change to Alcyone Resources Ltd has taken approximately 12 months from when the Company was placed into administration on the 3rd November 2008. The new Board and Management team has been working on the overall proposal since December 2008.

This work has included site Due Diligence Inspections, discussions with representatives of the Queensland Government and its administration, as well as a detailed review by Independent Experts into the potential viability of the Twin Hills Project.

This process has provided the Alcyone team with a level of confidence to persevere with their overall acquisition strategy which has resulted in the successful recapitalisation of the Company. The ensuing work program will independently determine the overall viability for the commencement of commercial silver production.

Note 1: Production statistics have been collected from information in previous ASX releases combined with information supplied by previous Directors and management of the Company and the Administrator and have not been independently verified by the current Directors.

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